

SECRET

SAC-4185

Copy 4 of 7

29 February 1956

EYES ONLY

MEMO FOR THE RECORD

SUBJECT: Travel Itinerary - Robert H. Macy (Bureau of the Budget)

1. At the request of the Project Director, on 16 February 1956 the undersigned reported to subject official for the purpose of taking his itinerary connected with a trip which he took in company of the Project Director during the week beginning 12 February 56. Mr. Macy was advised that under normal conditions we should claim reimbursement for per diem and transportation expenses expended on his behalf. However, in this instance, unless he felt strongly about reimbursement we would not make a claim against the Bureau of the Budget for the reason that we were endeavoring to keep the location visited from becoming known as an Agency installation. Mr. Macy represented himself as being in sympathy with this position and stated that while the Bureau of the Budget would be pleased to reimburse for the expense involved, he would be just as pleased under the circumstances if the location visited were not made a matter of record in the Bureau of Budget. In view of the information contained in this paragraph, it is recommended that no action be taken in so far as claiming reimbursement for the services expended on behalf of Mr. Macy.

2. At the conclusion of this meeting, Mr. Macy stated that he was favorably impressed with the operations observed and he felt that the accomplishments, with respect to the equipments produced under this project, would be of sufficient benefit to the government's air industry to justify the entire amount expended as well as amounts likely to be expended for the Project.

3. He asked my views as to the feeling of top officials in the Agency if he should follow his normal course of action and write a paper concerning the points observed during his visit. He was advised that, in my opinion, we should be quite delighted to receive his comments and that we could possibly benefit by some of the recommendations that would be made by him, provided his write-up could be prepared in such a manner as to exclude naming the location visited. He advised this would present no problem and accordingly his memorandum, which will be prepared in duplicate, only one for distribution to the Project Director and the other copy for the Deputy Director of Support, would be forthcoming in the near future. Mr. Macy stated he would not retain a copy of his write-up at the Bureau of the Budget.

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4. At this point, Mr. Macy brought up our per diem situation at the location and recited all the details as they currently exist; to wit, that we are paying [redacted] per day for the first thirty days to all employees and that we are paying [redacted] each day thereafter without time limitation. He further mentioned that to him, viewing the government as a single entity, he failed to see where we were warranted in paying such an amount of per diem in view of the fact that the maximum outlay for room and board by each individual is [redacted] daily. In this respect, I advised him that there were in addition to the room and board, two vital points in this regard for consideration. (a) We are not operating just a state-side location within the context of per diem as provided under regulation for the normal government activity. Instead, personnel that report to the site are employed for eventual overseas assignment and were required to report to this locale for indoctrination, training, and molding into a complete operational unit prior to departure for the forward facility. Naturally, when an employee spends a considerable period of time away from his home he desires to return and, in my opinion, we should require him to return to his legal place of residence for the purpose of closing out last minute business transactions and visiting his parents immediately prior to departure for an overseas spot for an assignment covering a period of from eighteen to twenty-four months. And, (b) we were and are confronted with a situation where both civilians and military personnel are jointly performing this vital operation, and since they are working side by side it is necessary that, in so far as possible, we maintain equality. The only way this could be done, in our opinion, was to establish the per diem rate as stated. He, at this point, indicated that he did not believe he would bring this matter to the attention of the Deputy Director of Support and I advised him if he felt he should or if he would like to, please feel free to do so because the Deputy Director of Support had, after considering our problem, approved the policy that we are following in respect to the per diem payments.

5. Mr. Macy was further advised that while we did not possess the formal approval of the DCI covering this per diem policy, it was a matter that has been discussed with Mr. Dulles and I feel quite sure his tacit approval exists. Our discussion at this point was affably concluded.

[redacted]  
25X1ADistribution:

- 0 - Project Director (through JAC)      Project Comptroller
- 2 - Deputy Director Support (through JAC)
- 3 - Agency Comptroller (through JAC)
- 4 - Agency General Counsel (*Eyes Only*)
- 5 - Special Approval folder
- 6 - [redacted] File
- 7 - Chrono

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